WEEKLY ECONOMIC REVIEW

November 24, 2006

Falling oil prices kept Canada's inflation below 1 per cent, for the second month in a row. However, the core inflation rate (which excludes the eight most volatile items) increased 2.3 per cent, as homeowners' replacement costs rose by 8.8 per cent, led by a 48.3 per cent increase in Alberta.

Alberta's CPI inflation increased 3.0 per cent, down from a high of 4.7 per cent recorded in August 2006. Despite the sharp rise in homeowners' replacement costs, there seems to be some signs of easing. The month-over-month increase was only 1.6 per cent, compared to over 4 per cent increase recorded in the previous six months.

Alberta's agriculture sector saw some improvements in third quarter, as farm cash receipts increased 9.5 per cent from the same quarter in 2005. However, year-to-date receipts are still down 0.5 per cent.

Canadian retail sales declined by slightly over 1 per cent in September, primarily due to falling gasoline prices. Similarly, retail sales declined in Alberta, but year-to-date retail sales remain extremely solid.

Cdn Dollar (C¢/US$)

Nov	24, 2006	88.1¢
Nov	17, 2006	87.3¢
2006-07 YTD		89.0¢

WTI Oil US$/bbl

Nov	22, 2006[1]	$59.24
Nov	16, 2006	$56.26
2006-07 YTD		$68.10

Nymex Natural Gas C$/mcf[2]
December Contract

Nov	22, 2006[1]	$8.80
Nov	17, 2006	$8.94

1. U.S. Markets closed Nov. 23-24 due to the thanksgiving weekend
2. Estimate based on Nymex Futures Market Price

In the Economic and Fiscal Update released on Thursday, the federal government plans to reduce the federal debt from 35 per cent to 25 per cent of gross domestic product by 2012-2013. The interest savings from debt would be put towards personal tax reductions. The Bank of Canada and federal government also agreed to renew Canada's inflation target at 2 per cent, over the next five years.

Oil prices topped $60 per barrel on Tuesday, after strong winds halted crude shipments in Alaska. However, prices retreated nearly $1 the following day, after news of a 5.1 million barrel rise in U.S. inventories.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Consumer Price Index (1997=100)	**October**			
Alberta	140.3	-1.0%	3.0%	3.8%
Canada	129.7	-0.2%	0.9%	2.1%
Retail Trade ($ Millions)	**September**			
Alberta	4,838	-1.1%	17.4%	16.9%
Canada	32,916	-1.2%	7.2%	6.5%
Wholesale Trade ($ Millions)	**September**			
Alberta	5,230	0.5%	11.7%	14.8%
Canada	41,823	-1.6%	5.7%	7.5%
Farm Cash Receipts ($Millions)	**3rd Quarter 2006**	**Q / Previous Q**	**Q / Previous Year's Q**	
Alberta	1,955	5.9%	9.5%	-0.5%
Canada	8,805	-2.5%	5.3%	-0.9%

Source: Statistics Canada
[1]Year-to-date 2006 compared to the same time period in 2005. For example: January-October 2006 versus January-October 2005